

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D.C.



OSA-0019-63

REPLY TO
ATTN OF:

SUBJECT:

TO:

*Sanders
NH-1420
Proposal*

#1066
REPLY TO:
Auditor General
Comptroller, USAF
Eastern District
Liaison Office
P. O. Box 8155
S. W. Station
Washington, D. C.

JOE

10 January 1963

Subject: Report on Evaluation of CPFF Contract Proposal
Sanders Associates, Inc.
Nashua, New Hampshire
Proposal No. 90XY, as revised on 6 Dec., 1962

To : Contracting Officer

1. In accordance with referenced request, a review has been made of the subject contract proposal by the auditor. While some discussion has been held between representatives of the contractor and the auditor regarding the field service program, audit comments pertaining thereto are being held in abeyance pending receipt of a revised proposal for that activity.

25X1A

2. Costs embodied in the subject proposal amounting to are recommended to the Contracting Officer for approval. The auditor has had several conferences with the contractor regarding these costs, and the amount represents the final determination of the proper estimated costs related to the work at hand.

3. Indirect expense rates applied by the contractor represent the forecasted rates for the period 1 August 1962 to 31 July 1963 and are as follows:

25X1A

John C. McArthur

Inasmuch as the rates represent the facility rates at the Nashua plant wherein the work is to be performed and since this is the initial attempt at refinement of a previously company-wide overhead rate, it was necessary for the auditor to study the forecast in concept for lack of an historical comparison to a previous fiscal period.

W. F. Edwards

W. F. EDWARDS
Audit Liaison Officer
Eastern District
Auditor General